

105TH CONGRESS
1ST SESSION

S. 430

To amend the Act of June 20, 1910, to protect the permanent trust funds of the State of New Mexico from erosion due to inflation and modify the basis on which distributions are made from those funds.

IN THE SENATE OF THE UNITED STATES

MARCH 12, 1997

Mr. DOMENICI (for himself and Mr. BINGAMAN) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To amend the Act of June 20, 1910, to protect the permanent trust funds of the State of New Mexico from erosion due to inflation and modify the basis on which distributions are made from those funds.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PERMANENT TRUST FUNDS OF THE STATE OF**
4 **NEW MEXICO.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “New Mexico Statehood and Enabling Act Amendments
7 of 1997”.

1 (b) INVESTMENT OF AND DISTRIBUTIONS FROM
 2 PERMANENT TRUST FUNDS.—The Act of June 20, 1910
 3 (36 Stat. 557, chapter 310), is amended—

4 (1) in the proviso in the second paragraph of
 5 section 7, by striking “the income therefrom only to
 6 be used” and inserting “distributions from which
 7 shall be made in accordance with the first paragraph
 8 of section 10 and shall be used”;

9 (2) in section 9, by striking “the interest of
 10 which only shall be expended” and inserting “dis-
 11 tributions from which shall be made in accordance
 12 with the first paragraph of section 10 and shall be
 13 expended”; and

14 (3) in the first paragraph of section 10, by add-
 15 ing at the end the following: “The trust funds, in-
 16 cluding all interest, dividends, other income, and ap-
 17 preciation in the market value of assets of the funds
 18 shall be prudently invested on a total rate of return
 19 basis. Distributions from the trust funds shall be
 20 made as provided in Article 12, Section 7 of the
 21 Constitution of the State of New Mexico.”.

22 (c) CONSENT OF CONGRESS.—Congress consents to
 23 the amendments to the Constitution of the State of New
 24 Mexico proposed by Senate Joint Resolution 2 of the 42nd
 25 Legislature of the State of New Mexico, Second Session,

1 1996, entitled “A Joint Resolution proposing amendments
2 to Article 8, Section 10 and Article 12, Sections 2, 4 and
3 7 of the Constitution of New Mexico to protect the State’s
4 permanent funds against inflation by limiting distributions
5 to a percentage of each fund’s market value and by modi-
6 fying certain investment restrictions to allow optimal di-
7 versification of investments”, approved by the voters of the
8 State of New Mexico on November 5, 1996.

